



Public Service Commission of Wisconsin

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For Immediate Release – December 22, 2005
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PSC Takes Action on Several Items

Approved funds for We Energies' Keep Wisconsin Warm Fund donation

Forwarded rules on generation ratemaking process

Reviewing affiliated interest agreement for Arrowhead-Weston project

MADISON - Today, the Public Service Commission of Wisconsin (PSC) made decisions on a number of matters before the Commission.

We Energies' Request for Low-income Assistance Donation

The Commission approved We Energies' request for a one-time donation of \$5 million towards the Keep Wisconsin Warm Fund. This contribution will help alleviate effects of this year's high energy costs on low-income consumers in Wisconsin. The Commission acted expeditiously on this in order to ensure this assistance was made available to customers in a timely manner. The Commission will determine the proper allocation of the regulatory liability at a future rate proceeding.

Generation Ratemaking Rules

The Commission adopted proposed rules related to ratemaking principles for electric power plants and will now forward them to the Legislature for their review and approval. These rules stem from the PSC's Strategic Energy Assessment and will provide utilities with additional financing options for building or purchasing power plants. 2005 Wisconsin Act 7, adopted in a bipartisanship manner in the Legislature and signed into law by Governor Jim Doyle, will allow utilities flexibility in financing new power plants and create opportunities, through possible lower cost financing options, to reduce costs to Wisconsin ratepayers.

Affiliated Interest Agreement

The Commission reopened the affiliated interest agreement docket for the Arrowhead-Weston project, solely to review an application from Wisconsin Public Service Corporation (WPSC) and American Transmission Company (ATC) to allow Minnesota Power to invest in the project. WPSC and ATC are asking to modify an agreement to grant Minnesota Power permission to provide capital for a portion of the project's construction costs. If approved, the amendment would allow Minnesota Power to invest \$60 million in the project, giving them an estimated 9 percent ownership interest in ATC.

Members of the public are encouraged to provide comments on this request via postal mail at the address below or on the PSC's website at <http://psc.state.wi.us>. All comments are due to the PSC by noon on Thursday, January 12, 2006 and should reference docket number 5-AE-115.

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